



THE DETERMINANTS OF EXTREME POVERTY AMONG WORKING HOUSEHOLDS IN EAST JAVA

Royan Gilbran Maulana¹

Universitas Negeri Malang, Malang, Indonesia
royan.gilbran.2007226@students.um.ac.id

FX Gugus Febri Putranto²

Universitas Negeri Malang, Malang, Indonesia
royan.gilbran.2007226@students.um.ac.id

Ifan Deffinika³

Universitas Negeri Malang, Malang, Indonesia
royan.gilbran.2007226@students.um.ac.id

Abstract

East Java Province is one of the provinces with an extremely poor population in Indonesia. The purpose of this study is to identify the factors that explain the effect of poverty, specifically on working households, which are expected to provide insights into policies to alleviate extreme poverty in East Java. This study uses microdata from the 2022 National Socioeconomic Survey (Susenas) at the household level in East Java, which has 38 districts/cities. By using binary logistic regression analysis, the results show that gender, education, marital status, age generation, employment status, and business field of the head of the household have a significant effect on the chances of becoming an extremely poor household. Furthermore, special policies are needed related to demographic and employment factors at the household level in alleviating extreme poverty in East Java.

Keywords: Extreme Poverty, Susenas, Binary Logistic Regression

INTRODUCTION

Indonesia, as one of the largest archipelagic countries, has biodiversity and natural resources that have the potential to grow and improve the welfare and quality of life of the community. The problem of poverty is a problem that is still faced by all nations in the world, especially in countries like Indonesia. Poverty itself is a very complex social problem, and many factors are aspects of the causes of poverty in a country. One is the lack of income because getting a job, education, health, and inequality is difficult. Poverty can be interpreted as a person is unable to meet his basic life needs such as food, clothing, shelter, health, and education levels (Nafi'ah, B. 2021).

The problem of poverty is defined as a lack of material needs, social needs, social exclusion, dependence, and inability to adapt to society, as well as a lack of income and income to fulfill life needs (Prayetno, 2013). Poverty is a serious and global problem that occurs in the majority of countries, including Indonesia (Sari, 2018). Poverty describes a community condition that not only has a small income level but also has limited access to basic needs, health, education, and economic activities (Susanti & Sartiyah, 2019).

Poverty is a multidimensional, fundamental, and crucial problem because it concerns the lives and livelihoods of many people. Poverty is not only a matter of low income but also the absence of opportunities to achieve specific living standards, such as adequate food, health, involvement in the social environment, community respect, and education. Poverty can also mean the loss of opportunities to achieve a certain quality of life, such as a long, healthy life, freedom from hunger, access to health, clean water, education, and social facilities. The problem of poverty is also always characterized by vulnerability, helplessness, isolation, and inability to express aspirations (Hermawati, Istiana, 2015).

The alleviation of poverty problems has been launched by the United Nations (UN) in the Sustainable Development Goals (SDGs) with the first goal of ending poverty everywhere and in all forms. The SDGs target is aimed at all forms of poverty, including extreme poverty. The Indonesian government targets extreme poverty to be zero by 2024 (TNP2K, 2021). Poverty reduction efforts are also included in the national development agenda in the 2020-2024 National Medium-Term Development Plan (RPJMN). In the RPJMN, one of the targets to be achieved is to reduce the poverty rate to 6-7 percent by 2024. The East Java Government through the 2019-2024 Regional Medium-Term Development

Plan (Rencana Pembangunan Jangka Menengah Daerah/ RPJMD) is committed to sustainable development based on a four-way development strategy consisting of pro-growth, pro-job, pro-poor, and pro-environment where the policy focuses on poverty reduction, equitable access to services and guarantees, environmental sustainability, and justice for all people.

In March 2020, Indonesia's poverty rate was 9.78 percent, which increased by 0.37 percent compared to the previous year (BPS, 2020). In terms of numbers, most of the poor population is in Java Island, with 14.05 million people, with a percentage of 9.24 percent. East Java Province has the most significant number of poor people, namely 4.419 million people, with a percentage of 11.09 percent in March 2020 (BPS East Java, 2020). In addition, East Java is included in the 7 priority provinces in efforts to alleviate extreme poverty in Indonesia (TNP2K, 2021). There are 5 districts/cities in East Java are included in the pilot project program to reduce extreme poverty: Bangkalan, Sumenep, Probolinggo, Bojonegoro, and Lamongan.

Extreme poverty, commonly referred to as absolute poverty, means extreme poverty conditions that are not seen only from the level of community income in an area but can be seen through the level of health, sanitation, clean water, and education levels in the area (Nasokah, 2022). Extreme poverty can also be defined as a condition of people's inability to fulfill basic needs, including food, clean water, proper sanitation, health, shelter, education, and access to information and social services (General Guidelines for Extreme Poverty, 2022). Poverty not only includes a lack of income and access to production resources but also concerns how survival can be guaranteed. Poverty includes hunger and malnutrition, limited access to education and services, discrimination and social exclusion, and lack of participation in making choices (United Nations, 2022).

Poverty can be measured in terms of the economic inability to meet basic food and non-food needs based on the poverty line, where the population has an average expenditure below the poverty line per capita (Badan Pusat Statistik Kota Batu, 2022). Meanwhile, extreme poverty is a situation where the level of community welfare is below the extreme poverty line of USD 1.9 PPP (purchasing power parity). Purchasing Power Parity is a price unit that has been adjusted so that the value of currencies in various countries can be compared with one another. In 2017, the PPP value was at Rp 10,195 Capita / Day; align

with the development of economic needs, the rupiah exchange rate, and the inflation rate from 2017 to 2022 by 12.5% so that in 2022, the PPP value is estimated to be at Rp 11,470 Capita / Day which means the PPP value in 2022 is Rp 344,101 Capita / Month. If the per capita is below Rp 344,101 per month, it can be categorized as extreme poverty. The determination of priority areas for accelerating the elimination of extreme poverty in 2022 to 2024 is based on the district/city extreme poverty index by considering; those are districts or cities with high extreme poverty rates and districts or cities with high numbers of extremely poor people (decision of the Coordinating Minister for PMK Number 25 of 2022).

Giddens in Ritzer (2010) explains that any social science or historical research must involve linking actions between agents and structures; it is impossible for structures to determine actions or vice versa. Structure, according to Giddens, is not external but inherent in our social actions and practices. Meanwhile, structural poverty states that the poor are imprisoned by exploitative social structures that perpetuate their dependence and paralysis. The underutilization of human resources causes low added value, which in turn perpetuates the symptoms of poverty (Effendi, 1995). (Akhmad Fatikhurizqi, 2020) in his research states that the distribution of extremely poor households is almost half of all poor households in East Java. The logistic regression analysis results show that the type of assistance in the form of BNPT has a greater effect on the poverty status of households in East Java.

This research will fill the research gap on extreme poverty, especially at the micro level in East Java. Thus, it is necessary to identify the factors that influence poverty at the micro (household) level, which is expected to provide insights into policies to alleviate poverty in East Java, especially regarding extreme poverty.

REVIEW OF LITERATURE

Extreme Poverty

Extreme poverty is a condition in which individuals or families do not have adequate access to basic resources such as food, clean water, health services, education, and adequate shelter. At the national level, extreme poverty is often linked to imbalances in wealth distribution and access to economic opportunities. Developing countries often face these challenges due to the gap between rich and poor, lack of adequate infrastructure, and political instability that hinders inclusive economic development. Extreme poverty is a condition in

which individuals or families do not have adequate access to basic resources such as food, clean water, health services, education, and adequate shelter. At the national level, extreme poverty is often linked to imbalances in wealth distribution and access to economic opportunities. Developing countries often face these challenges due to the gap between rich and poor, lack of adequate infrastructure, and political instability that hinders inclusive economic development. Extreme poverty is a condition in which individuals or families do not have adequate access to basic resources such as food, clean water, health services, education, and adequate shelter. At the national level, extreme poverty is often linked to imbalances in wealth distribution and access to economic opportunities. Developing countries often face these challenges due to the gap between rich and poor, lack of adequate infrastructure, and political instability that hinders inclusive economic development. At the regional or local level, factors such as geographic isolation, armed conflict, and inequities in resource distribution can also exacerbate extreme poverty. For example, rural or border areas often face limited access to basic services and economic opportunities, while areas affected by armed conflict or natural disasters tend to experience economic and social setbacks. In regional or local contexts, focused and inclusive approaches are needed to address the root causes of extreme poverty, such as the provision of basic infrastructure, local economic empowerment, and post-disaster or conflict recovery.

Research by Esther Duflo and Abhijit Banerjee, recipients of the 2019 Nobel Prize in Economics, has provided valuable insights into more effective ways to combat extreme poverty. Duflo and Banerjee used field experiment methods and evidence-based approaches to examine various interventions and policies aimed at helping the poor. In their research, Duflo and Banerjee often conduct field experiments in which they compare the effectiveness of various interventions. For example, they have tested programs such as direct cash rewards, child nutrition programs, and education programs, and measured their impact on poverty and community well-being. Their evidence-based approach has helped shift the paradigm in the fight against poverty, emphasizing the importance of careful evaluation of social policies and programs. In addition, their work encourages the adoption of approaches that are more contextual and focused on the needs of poor individuals and families, rather than a one-size-fits-all approach. With a focus on the use of empirical evidence and field experiments, the research by Duflo and Banerjee provides a solid foundation for policymakers and

development practitioners to design programs that are more effective in combating extreme poverty.

Factors Affecting Poverty Rates

Several factors influence poverty rates in urban and rural areas, and often these factors are interrelated. In urban areas, one of the main factors is the high cost of living. Living in cities often requires greater spending on necessities such as shelter, transportation, and food. In addition, large income disparities between community groups in cities can also be a significant factor. In addition, uncontrolled urbanization can put a high strain on urban infrastructure and public services, thus exacerbating poverty conditions.

In rural areas, limited economic opportunities are a major factor affecting poverty. Many rural areas depend on agriculture or the informal sector, which often does not generate stable or adequate income for their population. Limited infrastructure can also be a major obstacle to rural economic development, with limited access to markets, healthcare, and education. Dependence on agriculture also makes rural areas vulnerable to fluctuations in commodity prices and natural disasters that can result in more severe poverty.

In addition to economic factors, social and political aspects also contribute to the poverty levels in both types of regions. For example, lack of investment and government attention in certain rural areas can exacerbate inequality and increase the risk of poverty. In urban areas, uncontrolled urbanization often creates an unstable environment prone to social conflicts, which can also worsen poverty. A deep understanding of these factors is crucial for designing effective policies and programs to reduce poverty in both types of regions. An integrated approach, involving various stakeholders such as government, private sector, and civil society, is highly necessary to address these complex challenges and improve the well-being of communities in both urban and rural areas.

RESEARCH METHOD

This research uses microdata in the form of Raw Data from SUSENAS 2022 households in the East Java region, which has 38 districts/cities, using quantitative descriptive methods. This research limits the unit of analysis to households where the head of the household is employed following the research objectives. Descriptive analysis using tables and thematic maps was used to obtain an overview of extreme poverty status based on

household characteristics in East Java. Meanwhile, the inferential analysis uses binary logistic regression to determine the determinants of the extreme poverty status of households in East Java. The data used in this study is secondary data derived from Susenas data in 2022 sourced from the Central Bureau of Statistics. This research uses SPSS software, which will be processed using the Logistic Regression method to know the regression coefficient of a variable. The variables used in this study consist of two variables: the response variable (Y), namely Poverty status, with a value of $Y = 1$ for residents in the extremely poor category and $Y = 0$ for poor people who are not in the extremely poor category. Meanwhile, the independent variables can be summarized in the following table.

Table 1
Research Variables

Variable	Category	Description
Dependent Variable (Y)	Extreme Poverty	0=Not extremely poor
		1=Extremely poor
Independent Variable (X)	Gender	0=Female
		1=Male
	Education	0=Junior high school or below
		1=Senior high school or above
	Marital Status	0=Other (no partner)
		1=Kawin
	Migrant Resign	0=Non Migrant
		1=Migrant
	Generation (Age)	0=Generation Z (8 - 23 years old)
		1=Millennial Generation (24 - 39 years old)
2=Generation X (56 - 74 years old)		
3=Baby Boomer Generation (57 - 75 years old)		
4=Pre Boomer generation (77 years and above)		
Employment Status	0=Informal	
	1=Formal	
Business Field	0=Service	
	1=Industry	
	2=Agriculture	
Internet Usage	0=No	
	1=Yes	

Source: Researchers (processed)

The logistic regression model used in this study is as follows:

$$\text{Logit} [(P(Y=1|x))]= \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_pX_p + e_1$$

Description:

Yi: Extreme poverty index. Dummy (1 if in the extremely poor category, 0 if other)

β_0 : Intercept.

β_2, β_3, \dots : Regression parameters (coefficients).

X1: Dummy Gender (0 if female, 1 if male)

X2: Education Dummy (0 if low, namely junior high school or below, 1 if high, namely high school or above)

X3: Dummy Marital Status (0 if not married, 1 if married)

X4: Resign Migrant Dummy (0 if including non-migrants, 1 if including migrants)

X5: Age Generation Dummy (0 if Generation Z, 1 if Millennial Generation, 2 if Generation X, 3 if Baby Boomer Generation, 4 if Pre Boomer Generation)

X6: Work Status Dummy (0 if classified as an Informal worker, 1 if classified as a Formal Worker)

X7: Business Field Dummy (0 if in the service sector, 1 if in the industrial sector, 2 if in the agricultural sector)

X8: Dummy Internet (0 if not accessing the Internet, 1 if accessing the Internet)

e1: Error Term

The data analysis techniques used in this study are: 1) Exploring the data to find out the picture of the extreme poverty rate in East Java; 2) Determining the explanatory factors (variables) that will be used; 3) Estimating the logistic regression parameters; 4) Coefficient interpretation/interpretation using Odds Ratio.

RESULTS AND DISCUSSION

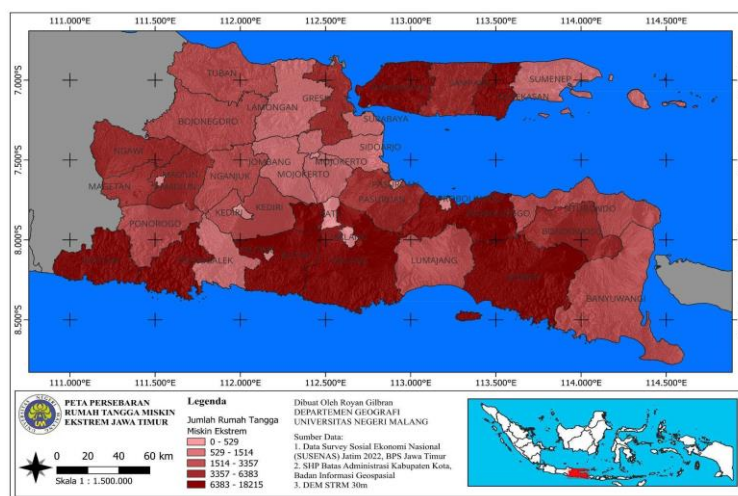


Figure 1
Poverty Map of East Java 2022

East Java is a province with a large number of extremely poor households. Currently, East Java consists of 29 districts and 9 cities. Of these 38 districts and cities, some districts and cities have many household heads classified as extremely poor. Pacitan, Trenggalek, Blitar, Malang, Probolinggo, Jember, Bangkalan, and Pamekasan are the districts and cities that have the highest number of extremely poor household heads compared to the other 30 districts and cities in East Java. These districts and cities have a total number of poor household heads between 6383 and 18215. Poverty is one of the urban problems that occurs due to urbanization and is further exacerbated by urban fragmentation. This is related to the increasing needs that arise as a consequence of the urbanization process that occurs, such as the need for job creation, the need to fulfill urban facilities in the form of housing facilities, economic facilities, and supporting facilities (facilities and supporting infrastructure) (Fikri et al.; K., 2016).

Table 2
Characteristics of Working Households in East Java by Poverty Status

	Characteristic	Not Poor	Poor
Gender	Female	10,50%	87,10%
	Male	89,50%	12,90%
Education	Low	65,60%	93,90%
	High	34,40%	6,10%
Marital Status	Not Married	14,00%	96,50%
	Married	86,00%	3,50%
Migrant Resign	Non-Migrant	98,00%	100,00%
	Migrant	2,00%	0,00%
Generation	Gen Z	1,40%	0,00%
	Milenial	28,60%	0,00%
	Gen X	44,00%	9,70%
	Baby Boomer	24,50%	73,00%
	Pre-boomer	1,50%	17,30%
Employment Status	Informal	61,30%	93,20%
	Formal	38,70%	6,80%
Business Field	Service	37,20%	20,90%
	Industry	20,40%	5,20%
	Agriculture	42,40%	73,90%
Internet	Not Using	44,40%	99,70%
	Using	55,60%	0,30%

Gender

Female household heads show a higher percentage (87.10%) than male household heads (12.90%) of being poor. Men have more jobs than women, which makes it difficult for women to get a job to meet the economic needs of their families; this also means not a few households only depend on their household heads to fulfill their daily economic needs.

Poverty can also be influenced by other factors, one of which is the problem of gender inequality that occurs. Gender is a trait attached to men and women that is socially and culturally constructed. From this comes things that are considered appropriate for men and inappropriate for women, such as in leadership, where men are considered appropriate to lead while women are still considered inappropriate. Problems like this are influenced by a paternalistic socio-cultural system. The impact of this system is the birth of gender-biased legal products that tend to be more detrimental to women.

Gender inequality often limits the choices available to women, severely limiting their ability to participate in or enjoy the fruits of development. Gender inequality also places a burden on productivity, efficiency, and economic progress. By restraining the accumulation of human capital at home and in the labor market and by systematically excluding women or men from access to resources, public services, or productive activities, gender discrimination reduces the capacity of an economy to grow. It reduces the capacity to improve living standards (Amalia, A. 2017).

Education

The poverty rate can be caused by low economic growth and a huge population, as well as the education level of the community. Table 2 shows that the education level of senior high school and above has a much smaller percentage of being poor (6.1%) than the education level of junior high school and below (93.9%). Education is critical in the future development of a nation because a quality education can support the development process of a nation itself. Through education, a generation of qualified human beings can be born, and also, with the birth of qualified humans, can produce quality and maximum development. Therefore, every human being must continuously improve their quality through professional education so that the goal of quality development will be achieved and succeed well (Amalia, A. 2017).

According to Ihsan (2011), the level of education is a continuous stage of education, which is determined based on the development of students, the level of complexity of teaching materials, and how to present teaching materials. School education levels consist of primary, secondary, and higher education. Susanto, R., & Pangesti, I. (2019) also mentioned that the level of education can be used as an indicator to see the level of welfare of the population. The higher a person's level of education, the better the quality of their human resources. Education is the most important factor that can lift a person out of poverty. The

relationship between poverty and education is very large because education provides the ability to develop through the mastery of knowledge and skills.

Marital Status

One of the factors that cause poverty is marital status. In Table 2, an individual who is married has a lower percentage of being poor (3.5%) than an individual who is not married (96.5%). An individual's career, financial, and health life can be much better when they are married than when they are single; married individuals have better morale. An individual can have clearer goals at work, such as making their family happy, so married men tend to work harder to provide for their families. This is the reason why marriage is one of the solutions to reducing poverty.

Resign Migrant

An individual migrates intending to obtain a better job and or a larger income; economic factors are also the reason for an individual to migrate. Table 2 shows that an individual who migrates and has a different place of residence from the previous 5 years is not categorized as poor. This is inversely proportional to individuals who do not migrate and have a permanent residence for the past 5 years.

Generations

Every generation has a persistent poverty problem, and poverty is a hereditary problem in every generation. Table 2 shows that the baby boomer generation (54-75 years old) has the highest percentage of people categorized as poor (73%), which is higher than other generations. At this age, the ability of an individual to do work begins to decline and enter retirement, so household heads in this generation have a high tendency to become poor.

Generation Z (8 - 23 years old) and Millennials (24 - 39 years old) have the lowest percentage (0%) of being poor. These generations are entering their golden years with stamina that is capable of doing a job and creative and innovative thinking. They can carry out work to the fullest. Generation Z and Millennials have expertise in using technology and communication to face the era of globalization. In this era of globalization, an individual is expected to be able to keep up with existing technological developments if they want to compete.

Employment Status

The field of work is one of the factors of an individual becoming poor. In Table 2, individuals who work in the informal sector have a higher percentage (93.2%) of becoming poor than individuals who work in the formal sector (6.8%). Individuals who work in the formal sector have a certain monthly income, making it easier to manage their household economy. This is also supported by the low risk of work accidents in their work. In contrast to formal workers, informal workers find it more challenging to manage their family economy because their income is uncertain, and the high risk of work accidents that they receive makes informal workers tend to be poor.

Business Field

Every individual certainly tries to fulfill their daily needs by working, and the various types of businesses that individuals have done have the same goal of overcoming their economic problems. Table 2 shows that the type of agricultural business has the highest percentage (73.9%) of being poor, compared to the type of service business with a percentage (20.9%) and industry (5.2%) of being poor. The agricultural sector's contribution to a country's economic development has a significant position. The role of the agricultural sector is the foundation of national economic development during times of economic crisis and recovery, so it needs to be supported consistently by developing the economy. The agricultural sector's contribution to Jepara Regency is significant because most people depend on this economic sector (Anandar et al. (2022). Gadang (2010) said that the role of agriculture as the backbone of the economy is proven not only in everyday situations but especially in times of crisis.

Internet

The use of the internet in the digital era is a must with the development of existing technology. Table 2 shows that an individual who does not access the internet has a high percentage (99.7%) of being poor compared to individuals who access the internet (0.3%). The internet is a means of accessing information and communication to find out about the outside world without having to go to a place directly. The use of the internet can help reduce poverty through the use of online training, sharing information on job vacancies, and doing work online. Good internet utilization will reduce the unemployment rate, which in turn will reduce the poverty rate.

Table 3
Logistic Regression Results

Characteristic	B	Sig.	Exp (B)	Information
Male	-.540**	.031	.582	Significant Negative
Senior High School or Above	-.443***	.003	.642	Significant Negative
Married	1,148***	.000	3,151	Significant Positive
Migrant	.049	.907	1,050	Not Significant
Millennial Generation	-.206	.658	.814	Not Significant
Generation X	-1,008**	.031	.365	Significant Negative
Baby Boomer Generation	- 1,271***	.007	.281	Significant Negative
Pre Boomer Generation	- 1,342***	.031	.261	Significant Negative
Formal Worker	-.762***	.000	.467	Significant Negative
Industry	.433**	.023	1,541	Significant Positive
Agriculture	.821***	.000	2,273	Significant Positive
Internet	- 1,062***	.000	.346	Significant Negative

SUSENAS Source 2022, processed

Description: *** Significant at level 1%
: ** Significant at level 5%
: * Significant at level 10%

In the table above, it can be seen that after testing using logistic regression using data that has been obtained from the 2022 SUSENAS, the results are obtained in the form of a table, which can later be used to analyze the variables that have been determined on the extreme poor variable. Besides that, the results of this study can also be in the form of mapping the extremely poor areas from the lowest to the highest in East Java. The Male Gender variable produces a negative regression coefficient value of -0.540 with a significant level of 5%, which has a significant effect. It is concluded that if the household head is male, the tendency to be extremely poor is 0.582 times that of a female household head. Several researchers mentioned that another important factor associated with poverty is the gender of the household head (Bent, 2019; Patel, 2019; Pueyo & Maestre, 2019). Female household heads are assumed to make a household poor (Herrera, 1999). This is related to social and cultural conditions, especially in developing countries such as Indonesia (NSB). The role of women in Developing Countries (NSB) is generally still limited in public affairs or the labor

market (Todaro & Smith, 2006). There is still a stigma that women are not more skilled than men (Dartanto & Nurkholis, 2013). Most anti-poverty programs at both the national and regional levels place women as the target of poverty alleviation programs, such as the empowerment of women's cooperatives and MSMEs.

The Senior High School Education variable produces a negative regression coefficient value of -0.443 with a significance level of 1%. It can be concluded that household heads with a senior high school education and above tend to become extremely poor by 0.642 times compared to those with a junior high school education and below. Several studies state that several factors are generally proven to be determinants of household poverty. One of these factors is the low education of the household head (Jallan & Ravalion, 1998; Ai & Kameyama, 2019; Lijie et al., 2019; Paul, 2019). This occurs because the head of the household, who is responsible for supporting the family, does not have the opportunity to obtain proper employment and public services (van Zon et al., 2019). Limited education makes household heads unable to access various kinds of resources and information, and then they cannot get out of poverty (Todaro & Smith, 2006). In addition, the human capital theory by Reid (2019) states that education is one of the ways that can be used to increase a person's productivity so that they can improve their welfare.

The Marital Status variable produces a positive regression coefficient of 1.148 with a significance level of 1%. It is concluded that married household heads tend to become extremely poor by 3.151 times compared to household heads who are not married or not married. The larger the size of a household, the greater the cost of living that must be borne by a family (Wardhana, 2010). This happens because the income received by a family must be shared with more household members so that the income and expenditure per capita becomes relatively smaller (Duarte, 2014). These results are not in line with research conducted (Sari, 2018), which states that households that have a divorced household head will increase the tendency of these households to experience poverty.

The Resign Migrant variable shows insignificant results with a significant level exceeding the predetermined limit. The variable Resign Migrants can be stated as not having a significant relationship with the extreme poverty variable. Basically, migration is the geographical movement of people or the movement of people from one place to another. Migration conducted within the borders of a country is referred to as internal migration,

consisting of lifetime migration, upward migration, and total migration. Internal migration trends in Indonesia show an increasing pattern over time. Risen migrants are migrants whose current residence differs from where they lived five years ago. This difference in residence is seen up to the district/city level (Amini et al., Y. A. (2020). Mantra (2000) adds another form called commuting, which is the movement of people going to work and returning home on the same day. In contrast to permanent migration, which brings all family members and settles in the destination area, circular migration is a migrant who, although working at the destination, generally the family still lives in the area of origin (Rahmadana et al., 2020).

The millennial generation does not show a significant effect on Generation Z. On the contrary, Generation X has a negative regression coefficient of -1.008 with a significance level of 5%. The baby boomer and pre-boomer generations show a negative significance of -1.271 and -1.342, respectively, with a significant level of 1%. It is concluded that each household head in Generation X has a 0.365 chance, the baby boomer generation has a 0.281 chance, and the pre-boomer generation has a 0.261 chance of becoming extremely poor compared to household heads in Generation Z. Baby boomers are often referred to as the disciplined and time-oriented generation of veterans. Generation X is known to be receptive to change, image-first, and hardworking. Generation Y is characterized by being heavily influenced by technological developments and open communication patterns. The generation in the spotlight is the generation that emerged at the end, at least in the period until 2019, namely Generation Z, often referred to as the i-generation or internet generation. The internet generation grows and develops with digitalization in various aspects (Christiani et al., P. N. (2020).

The formal Work Status variable shows a negative regression coefficient of -0.726 with a significance level of 1%, so it can be concluded that household heads with a work status in the formal sector tend to become poor in the extreme of 0.467 times being poor compared to household heads with a work status in the informal sector. Initially, the destination sector for migrants is usually the formal sector that promises higher wages, namely export-oriented sectors and labor-intensive industries (Manning & Pratomo, 2013). This happens in countries with high economic growth. Conversely, in countries with slower economic growth, the destination sector for migrants is the informal sector (Banerjee, 1983)

because the informal sector is easy to enter, does not require special skills, and is flexible in terms of time so that it becomes a special attraction for migrant workers (Pardede, 2013).

Industrial and agricultural business fields each show positive regression coefficient results with industrial business field variables of 0.433 with a significance level of 5% and agricultural business field variables of 0.821 with a significance level of 1%. It is concluded that household heads who work in Industry and Agriculture tend 1.541 and 2.273 times, respectively, to be extremely poor compared to household heads with business fields in services. The employment sector, like the household head's employment type, is also thought to be a determining factor of poverty. Research conducted by Swastika & Supriyatna (2008) and Dartanto & Nurkholis (2013) states that household heads experience poverty generally because they work in the agricultural sector (primary). The agricultural sector is a high contributor to poverty in developing countries due to limited access to capital, the small amount of land managed, or even only working as farm laborers or without land ownership (Todaro & Smith, 2006; Edig & Schwarze, 2011).

Internet usage shows a negative regression coefficient of -1.062 with a significance level of 1%, so it can be concluded that household heads who use the internet are 0.364 times more likely to be extremely poor than household heads who do not use the internet. The use of the Internet in the era of technological development, like today, is very influential in various sectors and fields. The development of technology requires workers to be able to use technology and be able to access various information from the internet. Research conducted by Rivera Mora (2021) also shows that access to the Internet reduces poverty levels in the Mexican region. Suppose the effect is disaggregated between rural and urban areas. In that case, it is also found that the effect is more significant in rural areas than in urban areas. In this increasingly digital era, access to the internet is needed to improve business (business digitalization) further and develop capabilities in many ways.

CONCLUSION

East Java is one of the provinces that has a high number of extremely poor household heads in Java. Bangkalan, Gresik, Surabaya, Sidoarjo, Pasuruan, Kediri, Malang Regency, and Banyuwangi are the regions with the highest number of household heads compared to other regions in East Java. Several variables are thought to affect the chances of worker

households becoming extremely poor, divided into gender, education, marital status, migration, employment status, business field, and internet usage. The results show that gender, education, marital status, age generation, employment status, and business field are variables that significantly affect households to become extremely poor. In addition, the variables of migration and the millennial generation do not show the significance of the head of the household becoming extremely poor.

The government can make efforts to reduce the level of extreme poverty by improving the skills of poor household heads through training and community empowerment and creating many new jobs. This is expected to reduce the unemployment rate, which will have an impact on reducing the poverty rate. Equitable development is also a supporter of alleviating extreme poverty. With equitable development, it is hoped that the use of technology, especially the internet, can reach all circles of society so that the available information can be conveyed thoroughly to all circles of society. The use of digitalization needs to be encouraged with several strategic steps such as equal distribution of digital infrastructure in remote rural areas, socialization and assistance in the use of digitalization, especially for informal and small-scale workers through collaboration between Community Information Groups (KIM) and groups of workers in each village / sub-district.

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